



Gulf Power®

September 10, 2019

Mr. Thomas A. David
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

RE: Docket No. 20190007-EI

Dear Mr. David:

Attached is Gulf Power Company's response to Citizens' First Request for Production of Documents (Nos. 1-4) and Citizens' First Set of Interrogatories (Nos. 1-4) in the above-referenced docket.

Sincerely,

C. Shane Boyett
Regulatory, Forecasting and Pricing Manager

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Attachments

cc: Gulf Power Company
Russell Badders, Esq., VP & Associate General Counsel
Beggs & Lane

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost
Recovery Clause

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Docket No. 20190007-EI

GULF POWER COMPANY'S RESPONSES TO
CITIZENS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4) AND
CITIZENS' FIRST SET OF INTERROGATORIES (NOS. 1-4)

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and
through its undersigned counsel, hereby submits the Company's responses to
Citizens' First Request for Production of Documents (Nos. 1-4) and Citizens' First Set of
Interrogatories (Nos. 1-4) on the following pages.

Respectfully submitted by electronic mail the 10th day of September, 2019.



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Attorneys for Gulf Power Company

1. Regarding Plant Victor J. Daniel Electric Generating Facility in Jackson County, Mississippi ("Plant Daniel"), at any point within the next 5 years does Gulf intend to retire, decommission, de-rate, close, or take any other action with respect to this plant? If the answer to the foregoing is anything other than an unqualified 'No,' please explain the intended action or actions, including the timeline on which such action(s) will occur.

ANSWER:

Gulf Power has notified Mississippi Power of its intention to retire Gulf Power's 50 percent undivided interest in Plant Daniel on January 15, 2024.

2. Regarding Plant Daniel, at any point within the next 5 years does Gulf intend to retire, decommission, de-rate, close or take any other action that is likely to result in an increase or reduction in the environmental costs of Gulf's operation and/or ownership of Plant Daniel? If the answer to the foregoing is anything other than an unqualified 'No,' please explain in detail the intended action or actions, including the timeline on which such action(s) will occur.

ANSWER:

Gulf Power has notified Mississippi Power of its intention to retire Gulf Power's 50 percent undivided interest in Plant Daniel on January 15, 2024. Gulf expects its annual ECRC O&M expenses associated with Plant Daniel to decrease by approximately \$3 million after retiring its ownership interest in the plant.

3. Does Gulf anticipate taking any other action similar to that described by Mississippi Power Company in its public filing attached hereto as **Exhibit A** that is likely to result in an increase or reduction in the environmental costs of Gulf's operation and/or ownership of Plant Daniel? If the answer to the foregoing is anything other than an unqualified 'No,' please explain the intended action or actions, including the timeline on which such action(s) will occur.

ANSWER:

Yes, Gulf is seeking ECRC recovery of costs associated with Gulf's ownership portion of the Daniel CCR projects. As explained in Gulf's ECRC projection filing, Plant Daniel must cease placing CCR and non-CCR waste streams into the ash pond no later than October 31, 2020, in accordance with the Federal CCR rule. New wastewater treatment and ash handling systems are required for the waste streams currently being routed to the pond (bottom ash and low volume wastewater) prior to the October 31, 2020 deadline. The Unit 1 and Unit 2 dry bottom ash conversion projects are scheduled to be placed in-service during 2020. Plant Daniel also plans to begin work on a temporary wastewater treatment system that will provide treatment for low volume wastewater streams while the plant closes and repurposes the bottom ash pond to serve as a low volume wastewater treatment pond. The pond closure project is currently scheduled to be completed in early 2022, and the new low volume wastewater treatment system is expected to be completed mid-year 2022.

4. Please provide an estimate of the anticipated costs, or range of costs, that Gulf expects to incur as a result of each action or actions contemplated in the answers to Interrogatories Nos. 1-3, above, with regard to Plant Daniel. Include the estimate of those costs, or range of costs, that Gulf intend to seek recovery for from its ratepayers.

ANSWER:

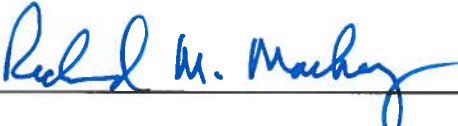
A summary of the Plant Daniel CCR compliance costs for 2019-2026 are provided below. Costs represent Gulf's ownership portion of Plant Daniel.

| Plant Daniel | Total |
|----------------------------------|--------------|
| Bottom Ash Conversion Projects | \$23,850,000 |
| Low Volume Wastewater Management | \$21,950,000 |
| Ash Pond Closure | \$14,550,000 |
| Ash Pond Post Closure Care | \$ 2,200,000 |
| TOTAL | \$62,550,000 |

DECLARATION

I sponsored the answer to Interrogatory Nos. 1-4 from **CITIZENS' FIRST SET OF INTERROGATORIES (NOS. 1-4)** to Gulf Power Company in Docket No. 20190007-EI. The responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Date: 9-10-19

1. Please produce copies of documents that support your answer to OPC's Interrogatory No. 1, served contemporaneously herewith.

ANSWER:

Please see page 2 of this response.



Marlene Santos
President

BY OVERNIGHT DELIVERY

January 15, 2019

Mr. Anthony Wilson
Chairman, President and CEO
Mississippi Power Company
P. O. Box 3079
Gulfport, MS 39502

Re: Plant Daniel Retirement Notice

Dear Mr. Wilson:

In accordance with Section 12.02(a) of that certain Amended and Restated Plant Daniel Operating Agreement, dated as of January 1, 2019, by and between Mississippi Power Company (MPC) and Gulf Power Company (GPC), we hereby notify you of our intention to retire GPC's fifty percent (50%) undivided interest in Plant Daniel on January 15, 2024 or such earlier time as GPC and MPC mutually agree, it being the desire of GPC to retire its interest as early as practicable.

Please feel free to contact me directly with any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Msantos'.

2. Please produce copies of documents that support your answer to OPC's Interrogatory No. 2, served contemporaneously herewith.

ANSWER:

The following responsive electronic document is attached. Please see the file titled, "Plant Daniel ECRC OM Summary.xls". The 2021 and beyond cost projections are preliminary estimates subject to change.

3. Please produce copies of documents that support your answer to OPC's Interrogatory No. 3, served contemporaneously herewith.

ANSWER:

Please see page 9 of Gulf Witness Richard M. Markey's testimony in Docket No. 20190007-EI 2020 Projection Filing submitted to the Commission on August 30, 2019 for the support to Interrogatory No. 3.

4. Please produce copies of documents that support your answer to OPC's Interrogatory No. 4, served contemporaneously herewith.

ANSWER:

The following responsive electronic document is attached. Please see the file titled, "CCR Cash Flow – preliminary 08282019.xls".

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Environmental Cost**)
Recovery Clause)

Docket No.: **20190007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 10th day of September, 2019 to the following:

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